

The New Home Construction Guaranty Fund

Connecticut's New Home Construction Guaranty Fund is a pool of money created by annual assessments of registered new home contractors and managed by the Department of Consumer Protection. The Fund can be used by the Department of Consumer Protection to help satisfy aggrieved home buyers.

If you are a home buyer who has been adversely affected by a negligent new home construction contractor, you may be eligible for up to \$30,000 in compensation from the Guaranty Fund if the following three criteria are met:

- You obtain a court judgment against the new home construction contractor.
- You apply to the Fund within two years after receiving the court judgment against the contractor.
- You apply to the Fund for compensation for loss or damages within two years after you entered into the building contract with the contractor.

For complete details see Section 20-417i of the Connecticut General Statutes. You may download and complete complaint forms and Guaranty Fund applications by going to our website at **www.ct.gov/dcp**.

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DEPARTMENT OF CONSUMER PROTECTION

Fact Sheet

New Home CONSTRUCTION

What You Need to Know!



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Building a new home is surely one of the most exciting and expensive projects that most people will tackle in their lifetime.

Connecticut state law provides certain protections to new home buyers, but the most important way to preserve your sanity and your wallet when taking on a home construction project is to be very well informed!

As defined by Connecticut statute, a “new home” is any newly constructed:

- single family dwelling unit; or
- dwellings consisting of not more than two units; or
- a unit, such as a condominium.

Before Hiring a New Home Contractor

Be sure your contractor is registered!

When hiring a contractor make sure he or she has a Certificate of Registration from the Connecticut Department of Consumer Protection. While this registration does not ensure the quality of the contractor’s new home construction work or the contractor’s competency to take on new home construction, it will provide you with certain protections if things go wrong.

- Verify the contractor’s registration information and find out the contractor’s complaint history with the Department of Consumer Protection. You can do this on the Department of Consumer Protection website: www.ct.gov/dcp.
- Ask the contractor for a list of the last twelve new homes that he/she has built to completion, or for a list of all new homes completed in the previous two years.
- Contact several individuals on the list to discuss the quality and timeliness of the contractor’s work.
- You may wish to obtain legal advice from an attorney. Remember, this is one of the largest purchases you will ever make!

Issues to Address with Your New Home Contractor

- Discuss whether the contractor has a customer service policy, and if so, learn the name of the person designated by the contractor to help you resolve any complaints about the contractor’s work.
- Find out whether the contractor will hold you harmless for work performed by any subcontractor hired by the contractor. A signed waiver of lien from each subcontractor, or a specific “hold harmless” statement in your contract is recommended.